

my colleague, I believe that the comments made by so many are so accurate on the question of what we are doing in this House and the importance of taking care of the people that we have come to be responsible for.

It is really a question of what are the challenges of this body and who do we owe our allegiances and responsibilities to in terms of the American people. Frankly, I believe that all of the American people look to this body to be fair and equitable, and it is interesting that we take the time to allegedly address concerns that we believe that they are interested in, but leave a lot on the table while much goes longingly for our attention.

I would ask this body to look at the conditions that we are in in 2003 and compare them to conditions over the last almost 15 years or so, from 1989 to 2002. Under President Bush, Sr., we see unemployment skyrocketing above 8 percent. Under President William Jefferson Clinton, in an 8-year term, we can see that the unemployment of this Nation, impacting everyone, went down to a bare minimum of under 4 percent. It means that the economic policies that were generated the last 8 years created jobs.

I am reminded of a very strategic vote in 1993 when we were peaking in unemployment, and lo and behold, there was a very vital, strategic decision by the Democratic Caucus and President Clinton to make a decided vote on behalf of the American people, a budget vote that saw the economy skyrocket to success and unemployment go down. Now we find ourselves in a predicament, skyrocketing deficit, a budget that does not seem to be able to be complied with and unemployment shooting through the roof.

With that backdrop, Mr. Speaker, what did we do before the Memorial Day holiday? No, we did not invest in human resources, hospitals and clinics, health insurance for all Americans. We did not invest in infrastructure, building highways, freeways, roads, enabling our railroads, enabling our various modes of transportation, providing greater access for the working community of America. We did not create jobs by investing in homeland security, even in the backdrop of a Red Alert.

What we did was compress a \$550 billion tax cut, which by the way, Mr. Speaker, I believe will ultimately result in a \$1.6 trillion tax cut which makes the deficit soar deeper and deeper downward. No. We decided to pass a \$350 billion tax cut. That was in name only because, as I said, I believe it is really \$550 billion and ultimately \$1.6 trillion, in light of skyrocketing unemployment.

We have argued, of course, that this will generate into some mode of opportunities for all Americans, but let me share with my colleagues the word of Warren Buffett on that tax cut, as he pointed out that the tax cut by the administration, the Bush administration, suggesting that it would create jobs,

remember I mentioned to my colleagues that we have got a skyrocketing unemployment rate, Mr. Buffett, who is the richest or second richest in the Nation, he says that the administration's tax plan was like a manager saying we are going to grow our earnings 20 percent a year. They do not have the faintest idea, in my view, of how many jobs this is going to create. How could they? Economics is not precise.

So when Democrats had a tax plan that directly invested in infrastructure, health care and homeland security, we knew what kind of jobs we would create. We have got a pie-in-the-sky plan. So what do we do, Mr. Speaker? We come together. Democrats stand on the floor of the House into the wee hours of the morning on Friday preceding the Memorial Day holiday, begging for reality, begging for sense to be made and saying that the least of those have been left out.

Of course, we were demagogued, castigated and suggested that this was not the time. Well, Mr. Speaker, let me tell my colleagues who we have left out, as I mention to my colleagues these numbers very quickly: 11.9 million children, 6.5 million working couples who qualify for the earned income tax and 8.1 million taxpayers.

Mr. Speaker, we should pass the Rangel-DeLauro-Davis bill that provides a minimal child tax credit for these left out souls, and we should take away this tax bill that does nothing for a great number of Americans who work every day for us.

INJUSTICES OF THE TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

Mr. ALLEN. Mr. Speaker, I rise today to speak again about the injustice of President Bush's latest tax cut bill. It is really amazing what he has done to families with children earning between \$10,000 and \$26,625. They are not treated like American families who earn larger sums than that.

I want to quote from the editorial today in the Bangor Daily News in my State of Maine. The editorial reads, "On the day President Bush signed his latest tax cut bill, astute observers noticed that the increase from \$600 to \$1,000 in the package's child tax credit would not apply to children of the working poor. Families with incomes under \$26,625 will remain at \$600. By leaving those children at the lower level, did the tax cut crafters really mean to imply they were worth only three-fifths of richer kids? Did someone have an awful sense of symbolism or are they trying to tell the public something?"

Three-fifths. If families earned between \$10,000 and \$26,600 a year, they get three-fifths of the tax cut, the child tax credit earned by people earning over \$26,000 a year.

Now, just coincidentally perhaps, that is the way slaves were counted in the Constitution. When the Constitution was written, slaves were to be counted as three-fifths of a person, and today, under the Bush tax cut, children and families earning between \$10,000 and \$26,000 a year count for three-fifths of what children and families earning over \$26,000 a year.

It is an embarrassment. It is shameful. It is yet one more example, if any were needed, that this administration is on a relentless quest to treat the very wealthy in this country differently, in fact, to transfer as much money as they can from middle-income America to the richest people in the country.

It would have been easy to correct this problem, very, very easy. Let me give my colleagues one example.

The cost of the deleted low-income child tax provision is \$3.5 billion. It is 1 percent of the official cost of \$350 billion for the final bill, and it could have been easily made up by reducing the top income rate by 0.1 percent for 3 years, because for each 0.1 percentage rate that the top rate is reduced, the cost is \$1.3 billion. That is all it would take, 0.1 percent less to the top rate. This is all it would have taken, and people with incomes over \$1 million a year on average would get, instead of a tax cut of \$93,500 a year, they would get an average tax cut of \$88,000.

In other words, for a reduction in their tax cut of \$5,500, we could have reached 12 million children. We could have reached all of those children in families between \$10,000 and \$26,000 and given them just the same tax cut that go to families earning more.

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It is unbelievable, it is appalling that once again the administration has taken this approach.

I would just say that it is obvious from this example and others that this is not a tax cut designed to increase economic growth. Its primary purpose, given the huge deficits, given the fact that every dollar of the tax cut is borrowed, borrowed from our children and grandchildren, it is obvious once again the whole motive here is to drain the Federal Government of revenues so that we will not have the funds to fund education the way we have in the past, so that we will cut veterans benefits, as reflected in the President's budget, and so there will not be sufficient funds to maintain Social Security and Medicare in the way in which they have been funded in the past.

This administration and the Republicans in Congress are engaged in a determined effort to reduce the size of the Federal Government at the same time that they are increasing the wealth of the wealthiest people in this country. It is embarrassing, it is shameful, it should stop.

TAX CUT

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Under

a previous order of the House, the gentleman from Washington (Mr. INSLEE) is recognized for 5 minutes.

Mr. INSLEE. Mr. Speaker, I believe it was Mark Twain who said that humans were the only species that had the capability of feeling embarrassment or needed to, and I think that we are going to see many of my friends across the aisle in the Republican Caucus who have sincere and legitimate embarrassment about what they did at about 1 a.m. awhile back when they passed the tax cut that is so grievously unfair to 12 million children and 8 million families in this country.

You have heard, Mr. Speaker, previous Members here address the fact that this child care tax credit was left out for these families earning \$10,000 to \$26,000 a year. I think in doing so, the Republican Caucus has given a new meaning, a new definition to the term women and children first. The "women and children first" principle used to mean that you take care of those who are least capable of caring for themselves first. But the Republican Caucus has given a new definition of that term. It means that you cut out and you give tax cuts to everyone else first and children last.

Because what happened here is pretty obvious. It is pretty clear that the Republicans had a choice to make. They decided that they were only going to do a tax cut with a total cost to the Treasury of \$350 billion, and they had to make a decision at the last instant who to deprive of the tax cut. They had a clear choice to make. They could cut .1 percent, or 1/1000th of the amount of the tax cuts given to millionaires, or they could decide to deprive it and not give children the benefit and those families earning \$10,000 to \$26,000 a year. They decided to deprive the children of that benefit rather than the millionaires who were paying these taxes.

They now are rightfully, sincerely, and I think greatly, embarrassed by this disclosure that has now come out from this middle-of-the-night tax cut that was passed. And why did that happen? Why did that happen? It is not because the Republicans are not good folks. It happened because this tax cut and its bottom line, its basic theory, was not an economic principle or an economic plan; but rather it was a knee-jerk fixation, an ideological predisposition to starve the government and to do a disproportionate tax cut that is not in keeping with the needs of working families.

What I mean by that is if you were going to do a tax cut that had an economic theory behind it, you would give tax benefits to these working families that are going to turn that money around and get it right back into the U.S. economy. These are the first families that ought to get a tax cut, not the last. The reason they are the first families is that these are the folks that are going to get the money right back into circulation.

But in the Republican plan it is the last group that gets tax relief. The reason is because this plan was based on an ideological fixation that they want to starve government rather than the economic theory of getting money back into the U.S. economy. That is why it is doomed to failure. That is why their last tax cut produced nothing. That is why we have had 2½ million new lost jobs after their last tax cut, and that is why this one is not going to be any better for the U.S. economy.

Mr. Speaker, we need an economic plan to grow jobs, not an ideological fixation; and we need to help children first, not last.

UNFAIR TAX CUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, the billion dollar tax cut that President Bush signed into law last week was supposed to give everyone who pays taxes a tax cut. In fact, President Bush said, "My jobs and growth plan would reduce taxes for everyone who pays income taxes." The President declared that several weeks ago.

Well, now as it turns out, that is not exactly the truth; and the devil is in the details. Because what the President did not tell the American public and what he did not tell America's families waiting for their tax cut was that a back-room deal he struck with the leadership in the House and the Senate, a bill that was sent for his signature, excluded 2.5 million taxpayers and 12 million children from the benefits of this bill. These are mostly single-parent households, with a child 16 years or older, that earn between \$10,000 and \$26,000 a year.

It was not a mistake. It was not an oversight. The Republican tax writers who crafted the final compromise all by themselves, with no Democrats in the room, under the supervision of Vice President CHENEY, made a conscious decision to roll back the benefits of the child tax credit for 12 million children to save \$3.5 billion. And they did not take that savings and put it into the Treasury against the massive deficit they created. They took that \$3.5 billion, and they gave it to corporations who run overseas to avoid taxes; they refused to close the Enron loopholes that destroyed corporations and many people's retirement. They took that money from those 12 million children, and they gave it away so that they would not have to close corporate tax loopholes.

Now, what does this mean, and why are we here late into the evening to discuss this matter? Why have so many Democrats lined up to speak on this matter? Because this is an issue of basic fundamental values about our families in this country, about equity,

and about fairness. And the Republican tax bill violated all of those values. They made a conscious choice to take families, a husband and a wife earning \$15,000 to \$20,000, a little bit more, raising a couple of kids, a single parent raising a couple of kids, who are struggling to get by in a tough economy, and they decided that they were simply going to exclude them from the benefits of this tax bill. They were not going to give them the child credit.

Now, Congress had made a decision over the past many years, from Ronald Reagan on, that we should have a child credit; that we should try to help offset the cost of raising children for middle-income families and lower-income families and that has been the policy in this country on a bipartisan basis. But this extreme Republican leadership in the House, along with Vice President CHENEY and now the Republican leadership in the Senate, decided that these children had less value than other children in the Nation.

What kind of person makes that decision about these children that they do not even know, about these parents struggling to raise their children and to pay their health care, to educate them, to provide them the necessities and maybe a little extra on salaries that do not exceed \$26,000 a year? What kind of mind, what kind of person was in that room that night when they made a decision to deny these children, to deny these parents this increase of \$400 in a tax cut to come this summer, that these children and these families would not get to participate in? It is a corruption and a corrosion of any sense of the public interest. It is a corruption of the process of this Congress that they would do this in the middle of the night in a secret deal and tell no one.

It was only after the President signed the bill did they have to admit that this was what was done. First they tried to say it was not true. First they tried to say that this did not affect these families. They were playing a little fast and loose with the truth down at the White House that day through the President's spokespersons. Well, the truth came out. Twelve million children denied the benefits of the child tax credit.

This is extremism at its far point. This is a denial of the value of America's families at the extreme. This act must be overturned. It must be overturned soon so that these families too can get that \$400 check that they are entitled to under the laws of this land and a decent system of fairness and equity.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)